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CERTIFICATE OF AMENDMENT

DECLARATION OF CONDOMINIUM

OF

MEADOWS OF ESTERO, A CONDOMINIUM

This amendment to the Declaration of Condominium of Meadows of Estero, A Condominium is made by Meadows of Estero-Bonita Springs Limited Partnership, a Florida limited partnership ("Developer").

W I T N E S S E T H:

WHEREAS, Developer recorded that certain Declaration of Condominium of Meadows of Estero, A Condominium in Instrument No. 2005000036677, in the Public Records of Lee County, Florida ("Declaration"); and

WHEREAS, pursuant to Section 20.1.1 of the Declaration, the Developer has the right to amend the Declaration without consent of the Unit Owners, the Association or its Board, until such time as the Developer transfers control of the Association; and

WHEREAS, the Developer has not transferred control of the Association to the Unit Owners.

NOW, THEREFORE, the Developer hereby amends the following Articles of the Declaration:

Additions indicated by underlining.
Deletions indicated by ~~striking through~~.

Amendment No. 1: Article 4.8, Declaration of Condominium

4. **Easements and Restrictions.** Each of the following easements is hereby created, all of which shall be nonexclusive easements and shall run with the land of the CONDOMINIUM and, notwithstanding any of the other provisions of this DECLARATION, may not be substantially amended or revoked in such a way as to unreasonably interfere with their proper and intended uses and purposes, and each shall survive the termination of the CONDOMINIUM.

(Article 4.1 through Article 4.7 Remain Unchanged)

4.8 **Sale and Development Easements.** DEVELOPER reserves an easement over, upon, across and under the COMMON ELEMENTS and the ASSOCIATION PROPERTY as may be reasonably required in connection with the development and construction of the improvements within the CONDOMINIUM and the ASSOCIATION PROPERTY, and the sale, promotion and leasing of the UNITS, or any portion of the property described in Exhibit "B" attached hereto or any other property owned by DEVELOPER or any affiliate or subsidiary of DEVELOPER, and further reserves an easement to use any office located within any recreational facilities or other portion of the COMMON ELEMENTS for such purposes. DEVELOPER (including its designees and contractors) shall have the right to enter the ASSOCIATION PROPERTY and take any action reasonably necessary or convenient for the purpose of completing the construction thereof and repairing UNITS impacted by defective drywall, provided such activity does not prevent or unreasonably interfere with the use and enjoyment by the UNIT OWNERS of the ASSOCIATION PROPERTY. Without limiting the generality of the foregoing, DEVELOPER and its designee, Intervest Consulting Services, Inc. shall: (a) have access to the ASSOCIATION PROPERTY and impacted UNITS for purposes of engaging in remediation of defective drywall within the UNITS during the hours of 6:00 am through 10:00 pm weekdays, weekends and holidays, (b) utilize appropriate areas within the COMMON ELEMENTS for dumpsters, receptacles and port-a-lets to support activities during the construction and remediation process, provided such items are routinely cleaned and emptied and (c) utilize parking within the COMMON ELEMENT for designees, contractors and subcontractors to facilitate the construction and remediation process.

(Remainder of Article 4 Remains Unchanged)

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Amendment No. 2: Article 12.3, Declaration of Condominium

12. **Monetary Defaults and Collection of ASSESSMENTS and Other Monies.**

(Article 12.1 and Article 12.2 Remains Unchanged)

12.3 **Lien for ASSESSMENTS and Other Monies Owed to the ASSOCIATION.** The ASSOCIATION has a lien on each CONDOMINIUM PARCEL to secure the payment of ASSESSMENTS, which lien is provided by Florida Statutes, Section 718.116, and is also hereby established, and the ASSOCIATION has a lien on each CONDOMINIUM PARCEL for any other monies owed to the ASSOCIATION, which lien is hereby established, with interest and for costs and attorneys' fees incurred by the ASSOCIATION incident to the collection of the ASSESSMENTS or other monies, or enforcement of the lien. Any lien other than is expressly permitted by the CONDOMINIUM ACT is non-statutory. Notwithstanding the foregoing, the ASSOCIATION shall not have a lien for any monies owed to the ASSOCIATION where such lien is prohibited by the CONDOMINIUM ACT. The lien is effective from and shall relate back to the recording of the DECLARATION. However, as to first mortgages of record, the lien is effective from and after recording a claim of lien in the public records in the county in which the

CONDOMINIUM PARCEL is located. To be valid, a claim of lien must state the description of the CONDOMINIUM PARCEL, the name of the record UNIT OWNER, the name and address of the ASSOCIATION, the amount due, and the due dates. It must be executed and acknowledged by an officer or authorized agent of the ASSOCIATION. No such lien shall be effective longer than 1 year after the claim of lien was recorded unless, within that time, an action to enforce the lien is commenced. The 1 year period shall automatically be extended for any length of time during which the ASSOCIATION is prevented from filing a foreclosure action by automatic stay resulting from a bankruptcy petition filed by the UNIT OWNER or any other person claiming an interest in the UNIT. The claim of lien shall secure all unpaid ASSESSMENTS or other monies owed to the ASSOCIATION which are due upon and which may accrue subsequent to the recording of the claim of lien and prior to the entry of a certificate of title, as well as interest and all reasonable costs and attorney's fees incurred by the ASSOCIATION incident to the collection process. The BOARD may accelerate unpaid ASSESSMENTS in the manner prescribed by law. Upon payment in full of all sums secured by the lien, the person making the payment is entitled to a satisfaction of the lien. By recording a notice in substantially the following form, a UNIT OWNER or his agent or attorney may require the ASSOCIATION to enforce a recorded claim of lien against his UNIT:

NOTICE OF CONTEST OF LIEN

To: ... Name and Address of ASSOCIATION...

You are notified that the undersigned contests the claim of lien filed by you on _____, 200___, and recorded in Official Records Book _____, at Page _____, of the Public Records of _____ County, Florida, and at the time within which you may file suit to enforce your lien is limited to 90 days from the date of service of this notice.

Executed this _____ day of _____, 200____.

Signed: .... (OWNER or Attorney)

After service of the above-referenced notice of contest of lien as provided by the CONDOMINIUM ACT, the ASSOCIATION has 90 days in which to file an action to enforce the lien; and, if the option is not filed within the 90 day period, the lien is void. The foregoing 90 day period may be extended as provided in the CONDOMINIUM ACT.

(Remainder of Article 12 Remains Unchanged, Except as Indicated Below)

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Amendment No. 3: Article 12.5 and Article 12.6, Declaration of Condominium

12. **Monetary Defaults and Collection of ASSESSMENTS and Other Monies.**

(Article 12.1 through Article 12.4 Remain Unchanged, Except as Indicated Above)

12.5 **Rental and Receiver.** if a unit owner remains in possession of his unit and the claim of lien of the association against his unit is foreclosed, the court, in its discretion, may require the unit owner to pay a reasonable rental for the unit, and the association is entitled to the appointment of a receiver to collect the rent. Notwithstanding any other remedy available to the ASSOCIATION under this Declaration, the Bylaws, or applicable law, the ASSOCIATION shall have the following options when payment of assessments or charges are delinquent. The ASSOCIATION may, without order of the Court, direct rental income (by written notice to the tenant with copy to Unit owner) from UNITS in default to be paid directly to the ASSOCIATION until all outstanding assessments, charges, interest, late fees, costs, collection expenses, attorney's fees and receiver's fees, if applicable, are satisfied. As an alternative, the ASSOCIATION may apply to a Court of competent jurisdiction, either in connection with a foreclosure suit, a personal suit, or otherwise, to have rental proceeds paid on account of a UNIT in default paid directly to the Association, the court registry, or a receiver, as the Court may direct. The ASSOCIATION may choose any of these courses of action as the Board deems appropriate without same constituting a waiver or election of remedies.

12.6 **Liability of First Mortgagee for ASSESSMENTS or Other Monies Owned to the ASSOCIATION.** ~~The liability of a first mortgagee or its successor or assignees who acquire title to a UNIT by foreclosure or by deed in lieu of foreclosure for the unpaid ASSESSMENTS that became due prior to the mortgagee's acquisition of title is limited to the lesser of:~~

~~12.6.1 The UNITS unpaid COMMON EXPENSES and regular periodic ASSESSMENTS which accrued or come due during the 6 months immediately preceding the acquisition of title and for which payment in full has not been received by the ASSOCIATION; or~~

~~12.6.2 One percent of the original mortgage debt. The provisions of this paragraph shall not apply unless the first mortgagee joined the ASSOCIATION as a defendant in the foreclosure action. Joinder of the ASSOCIATION is not required if, on the date the complaint is filed, the ASSOCIATION was dissolved or did not maintain an office or agent for service of process at a location which was known to or reasonably discoverable by the mortgagee.~~

~~Notwithstanding the foregoing, in the event the CONDOMINIUM ACT is hereafter amended to reduce or eliminate the liability of a first mortgagee or other person who acquires title to a UNIT by foreclosure or by deed in lieu of foreclosure, the first mortgagee or person so acquiring title shall received the benefit of such reduced or eliminated liability.~~ The priority of the ASSOCIATION's lien and the obligation for payment of past due ASSESSMENTS or charges in relation to first mortgagees who obtain title as a result of foreclosure or deed in lieu of foreclosure, shall be determined by the Florida CONDOMINIUM ACT, Chapter 718, Florida Statutes (2010), as amended from time to time.

(Remainder of Article 12 Remains Unchanged, Except as Indicated Below)

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Amendment No. 4: Article 12.9 (NEW), Declaration of Condominium

12. **Monetary Defaults and Collection of ASSESSMENTS and Other Monies.**

(Article 12.1 through Article 12.8 Remain Unchanged, Except as Indicated Above)

12.9 **Remedies.** Institution of a suit at law to attempt to effect collection of the payment of any delinquent ASSESSMENT (or interests, late fees, or expenses or costs of collection, including but not limited to reasonable attorney's fees) shall not be deemed to be an election by the ASSOCIATION which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sum then remaining owing to it. Further, regardless of whether suit has been field or not, the BOARD shall have the authority to impose such sanctions, or take such action, as may be authorized by the Florida Condominium Act, Chapter 718, Florida Statutes (2010), as amended from time to time, without limitation, such sanctions or actions include disqualification for BOARD service, suspension of COMMON ELEMENT use and services, attachment of rental income, and the suspension of voting rights.

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Amendment No. 5: Article 17.1, Declaration of Condominium

17. **Use Restrictions.** The use of the property of the CONDOMINIUM shall be in accordance with the following provisions:

17.1 **UNITS.**

17.1.1 ~~**Residential Use.** Each of the UNITS shall be occupied and used only for residential purposes, and not for business, commercial or other purposes, provided any UNIT may be used as a home office so long as same does not involve customers, patients or the like coming to the UNIT and so long as such use is not otherwise apparent from the exterior of the UNIT.~~ **Occupancy of UNITS; Single Family Residence.** A UNIT shall be used only as a single family residence. As used in the CONDOMINIUM DOCUMENTS, "single family" means one natural person, a group of two or more natural persons who customarily reside together as a single family housekeeping UNIT, each of whom is related to each of the others by blood, marriage (or domestic partnership) or adoption, or not more than two persons not so related, who customarily reside together as a single housekeeping UNIT. For purposes of these CONDOMINIUM DOCUMENTS, "permanently occupy" means to sleep in the UNIT for more than thirty (30) nights during a calendar year. No person may occupy a UNIT as a UNIT OWNER, tenant, or family member thereof (i.e., occupy the UNIT on an overnight basis for more than thirty (30) days in a calendar year) unless said person's occupancy has been specifically approved by the ASSOCIATION, through the BOARD. In considering such requests, the BOARD may consider factors set forth in Article 18 hereof, and may charge a reasonable fee for review of occupancy requests. Visitation by GUESTS is governed by Article 19 of this DECLARATION. UNITS may not be used for commercial or business purposes.

UNIT OWNERS (and their family members and tenants) may use UNITS for "home office" or "telecommuting" purposes, provided that such uses do not involve customers or clients coming onto the CONDOMINIUM PROPERTY, the posting of any signage in the CONDOMINIUM, the storage of equipment, products, or materials in the CONDOMINIUM, nor more than two regular deliveries per day of correspondence or similar items from customary express delivery services.

17.1.2 **Maximum Number of Occupants.** With the exception of temporary occupancy by visiting guests, no UNIT may be occupied by more than two (2) persons for each bedroom in the UNIT, without the prior written consent of the ASSOCIATION. ~~The BYLAWS or the Rules and Regulations of the ASSOCIATION may define visiting guests, and limit the number of visiting guests permitted in any UNIT at any time, and the maximum length of time a visiting guest may reside in any UNIT.~~

17.1.3 **No Division.** No UNIT may be divided or subdivided into a smaller UNIT or any portion thereof sold or otherwise transferred without first amending this DECLARATION to reflect the changes in the UNITS to be affected thereby.

(Remainder of Article 17 Remains Unchanged, Except as Indicated Below)

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Amendment No. 6: Article 17.2, Declaration of Condominium

17. **Use Restrictions**. The use of the property of the CONDOMINIUM shall be in accordance with the following provisions:

(Section 17.1 Remains Unchanged, Except as Indicated Above)

~~17.2 **Leasing.** Any lease of a UNIT must be in writing and specifically be subject to this DECLARATION, the ARTICLES, BYLAWS, and Rules and Regulations of the ASSOCIATION, and a copy delivered to the ASSOCIATION prior to occupancy by the tenant(s). Without the prior written consent of the BOARD, which may be withheld in the BOARD's sole discretion, no lease of a UNIT shall be for a term of less than ninety (90) days, or more than one (1) year, and no UNIT may be leased more than once in any consecutive 12 month period. During the term of any lease the BOARD, for good cause, may direct the UNIT OWNER of a leased UNIT to not re-lease the UNIT to the existing tenant(s), or extend or renew any existing lease, and in that event the UNIT OWNER shall not re-lease to the existing tenant, or extend or renew the existing lease, and any provisions of the lease granting the tenant(s) the right to extend or renew the lease, or to re-lease the UNIT, shall be of no force or effect. For purposes of this paragraph, any person(s) occupying a UNIT in the absence of the UNIT OWNER shall be deemed occupying the UNIT pursuant to a lease, regardless of the presence or absence of consideration with respect to the occupancy. Notwithstanding the foregoing, a UNIT OWNER may from time to time permit the members of his immediate family to occupy his UNIT as a guest in his absence for periods of less than thirty (30) days in any consecutive twelve (12) month period, provided the BOARD is given prior written notice of such occupancy.~~

~~Notwithstanding the foregoing, a UNIT OWNER may from time to time permit guests to occupy his UNIT, without consideration, provided the BOARD is given prior written notice of such occupancy. Such guest occupancy shall not exceed thirty (30) days in any consecutive twelve (12) month period without the prior written consent of the BOARD which may be withheld in the BOARD'S sole discretion. Notwithstanding anything contained herein to the contrary, no amendment to this DECLARATION, the ARTICLES, the BYLAWS, or the Rules or Regulations may be made by the UNIT OWNERS which would further prohibit or restrict any UNIT OWNER from renting, leasing, selling or transferring his UNIT, without the consent of 100% of the UNIT OWNERS.~~

17.2. **Leasing.** The lease of a UNIT is defined as occupancy of the UNIT by any person other than the UNIT OWNER, whether pursuant to verbal or written agreement, where said occupancy by the non-owner involves consideration (the payment of money, the exchange of goods or services, or any other exchange of value). The term "leasing" and "renting" shall be used interchangeably for the purpose of this DECLARATION of CONDOMINIUM. The term "tenant" and "lessee" shall likewise be used interchangeably. All leases must be in writing. Should a UNIT OWNER wish to lease his UNIT, he shall furnish the ASSOCIATION with a copy of the proposed lease and the name of the proposed lessee, as well as all proposed occupants. Any person occupying the UNIT after initial approval shall be subject to a separate application and approval process. The ASSOCIATION shall have thirty (30) days from the receipt of notice and all required information within which to approve or disapprove of the proposed lease or proposed lessees or occupants. The ASSOCIATION shall give the UNIT OWNER written notice of its decision within said period. No individual rooms may be rented and no transient tenants may be accommodated. "Rent-sharing" and subleasing are prohibited. No lease of a UNIT shall be for a term of less than ninety (90) days, or more than one (1) year, and no UNIT may be leased more than three (3) times in any consecutive 12 month period. Leases may be renewed, subject to BOARD approval. This section shall apply to all UNIT OWNERS, regardless of when the UNIT was purchased.

17.2.1 **BOARD Right of Approval.** The BOARD shall have the authority to approve all leases and renewals or extensions thereof, which authority may be delegated to a committee or agent. No person may occupy a UNIT as a tenant, family member of a tenant, occupant, or otherwise without prior approval of the BOARD. The BOARD shall have the authority to promulgate or use a uniform lease application and require such other information from the proposed tenant and all proposed occupants as the BOARD deems appropriate under the circumstances. The BOARD may require an interview of any proposed tenant and all proposed occupants of a UNIT, as a condition for approval.

17.2.2 **Tenant Conduct; Remedies.** All leases shall be on a uniform form of lease or lease addendum if so promulgated by the ASSOCIATION. Uniform leases, addenda and all other leases will provide, or be deemed to provide that the tenants have read and agreed to be bound by the DECLARATION of CONDOMINIUM, ARTICLES, BYLAWS, and Rules and Regulations as the same may be amended from time to time (the "CONDOMINIUM DOCUMENTS"). The uniform lease or addendum and other leases shall further provide or be deemed to provide that any violation of the CONDOMINIUM DOCUMENTS shall constitute a material breach of the lease and subject the tenant to eviction as well as any other remedy afforded by the CONDOMINIUM DOCUMENTS or Florida law. If a tenant, other UNIT occupant, guest or invitee fails to abide by the CONDOMINIUM DOCUMENTS, the UNIT

OWNER(S) shall be responsible for the conduct of the tenants, occupants, guests and invitees and shall be subject to all remedies set forth in the CONDOMINIUM DOCUMENTS and Florida law, without waiver of any remedy available to the ASSOCIATION as to the tenant. The UNIT OWNER shall have the duty to bring his tenant's conduct (and that of the other UNIT occupants, GUESTS and invitees) into compliance with the CONDOMINIUM DOCUMENTS by whatever action is necessary, including without limitation the institution of eviction proceedings without notice to cure, where legally permissible. If the UNIT OWNER fails to bring the conduct of the tenant into compliance with the CONDOMINIUM DOCUMENTS in a manner deemed acceptable by the ASSOCIATION, the ASSOCIATION shall have the authority to act as agent of the UNIT OWNER to undertake whatever action is necessary to abate the tenants' noncompliance with the CONDOMINIUM DOCUMENTS (or the other noncompliance of other occupants, guests or invitees), including without limitation the right to institute an action for eviction against the tenant in the name of the ASSOCIATION in its own right, or as agent of the UNIT OWNER. The ASSOCIATION shall have the right to recover any costs or fees, including attorney's fees, incurred in connection with such actions, from the UNIT OWNER which shall be secured by a continuing lien in the same manner as assessments for COMMON EXPENSES, to wit, secured by a lien for charges.

17.2.3 **Security Deposit**. The BOARD shall have the authority, as a condition of granting approval to a lease or renewal or extension thereof, to require that a prospective lessee or UNIT OWNER place a security deposit in an amount not to exceed the equivalent of one month's rent into an escrow account maintained by the ASSOCIATION to protect against damage to the COMMON ELEMENTS or ASSOCIATION PROPERTY. Payment of interest, claims against the deposit, refunds, and disputes under this paragraph shall be handled in the same fashion as provided in Part II of Chapter 83 of the Florida Statutes (2009) as amended from time to time.

17.2.4 **Approval Process; Disapproval**. Any UNIT OWNER intending to lease his UNIT shall submit a copy of the proposed lease, an application, and any other requested information and required fees at least thirty (30) days in advance of the commencement of the lease or renewal or extension term. Upon receipt of all information and fees required by ASSOCIATION and an interview (if requested by the BOARD), the ASSOCIATION shall have the duty to approve or disapprove all proposed leases within thirty (30) days of receipt of such information for approval and the completion of the tenant/occupant interview (if required), by sending written notification to the UNIT OWNER within such time frame. All requests for approval not acted upon within thirty (30) days shall be deemed approved. Applications for renewals or extensions of lease agreements shall be submitted at least thirty (30) days in advance of the expiration of the lease agreement. If the ASSOCIATION disapproves a proposed lease or renewal or extension, the UNIT OWNER shall receive a short statement indicating the reason for the disapproval, and the lease shall not be made, renewed, or extended. The ASSOCIATION shall neither have a duty to provide an alternate lessee nor shall it assume any responsibility for the denial of a lease application if any denial is based upon any of the following factors:

17.2.4.1 The person seeking approval (which shall hereinafter include all proposed occupants) has been convicted of a crime involving violence to persons, a crime demonstrating dishonesty or moral turpitude, any felony, or a sexual offense of any nature;

17.2.4.2 The person seeking approval has a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures, or bad debts;

17.2.4.3 The application for approval on its face, facts discovered in connection with the ASSOCIATION's investigation, or the conduct of the applicant, indicate that the person seeking approval intends to conduct himself in a manner inconsistent with the CONDOMINIUM DOCUMENTS. By way of example, but not limitation, a tenant taking possession of the premises prior to approval by the ASSOCIATION as provided for herein shall constitute a presumption that the applicant's conduct is inconsistent with the CONDOMINIUM DOCUMENTS and may constitute grounds for denial;

17.2.4.4 The person seeking approval has a history of disruptive behavior or disregard for the rights and property of others as evidenced by his conduct in other housing facilities or associations, or by his conduct in this CONDOMINIUM as a tenant, occupant or guest;

17.2.4.5 The UNIT OWNER or person seeking approval has failed to provide the information, fees, or appearances required to process the application in a timely manner;

17.2.4.6 All ASSESSMENTS, fines and other charges against the UNIT and/or UNIT OWNER have not been paid in full.

17.2.5 **Liability**. The liability of the UNIT OWNER under the CONDOMINIUM DOCUMENTS shall continue notwithstanding the fact that he may have leased or rented his interest in the UNIT as provided herein.

17.2.6 **ASSOCIATION Fee**. The UNIT OWNER or lessee seeking approval of a lease of a UNIT shall pay a transfer fee for each applicant in an amount determined by the BOARD, which unless otherwise specified, shall be the maximum amount permitted by law. No charge shall be made in connection with an extension or renewal of a lease.

(Remainder of Article 17 Remains Unchanged, Except as Indicated Below)

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Amendment No. 7: Article 17.8 (NEW), Declaration of Condominium

17. **Use Restrictions.** The use of the property of the CONDOMINIUM shall be in accordance with the following provisions:

(Article 17.1 through Article 17.7 Remain Unchanged, Except as Indicated Above)

17.8 **Motor Vehicles; Parking.** No motor vehicle shall be parked anywhere on the CONDOMINIUM PROPERTY except on a paved parking surface. No commercial trucks, or vehicles which are primarily used for commercial purposes, other than service vehicles temporarily present on business, nor any trailers, may be parked on the CONDOMINIUM PROPERTY. Boat trailers, trailers, semitrailers, house trailers, campers, travel trailers, mobile

homes, motor homes, recreational vehicles, and the like, and any vehicles not in operable condition or validly licensed, may not be kept on the CONDOMINIUM PROPERTY. For the purpose of the foregoing sentence, the term "kept" shall mean present for either a period of six (6) consecutive hours or overnight, whichever is less. All vehicles must fit in the parking spaces provided. All vehicles parked overnight at the CONDOMINIUM PROPERTY must be registered with the ASSOCIATION and the ASSOCIATION shall promulgate rules regarding said registration. Any vehicle parked in violation of this Article is subject to being towed away at the owner's expense without further warning. Vehicle maintenance is not allowed on CONDOMINIUM PROPERTY. The term "vehicle maintenance" shall include, but not be limited to, changing of oil and other engine fluids, engine maintenance or repair and body maintenance or repair. Emergency repairs to vehicles, such as changing a flat tire, are allowed. Inoperable vehicles must be towed from the CONDOMINIUM PROPERTY for the purposes of repair. Any vehicle violating any provision of these restrictions may be towed away at the owner's expense.

(Remainder of Article 17 Renumbered Accordingly)

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Amendment No. 8: Article 18, Declaration of Condominium

~~18. **Sale, Transfer and Leasing of UNITS.** In order to maintain a community of congenial and financially responsible UNIT OWNERS and to protect the value of the UNITS within the CONDOMINIUM, the sale, transfer and leasing of UNITS shall be subject to the following provisions:~~

~~18.1 **Notice to ASSOCIATION.** If a UNIT OWNER intends to sell, transfer or lease his UNIT, or any interest therein, then prior to such sale, transfer or lease, the UNIT OWNER shall give the ASSOCIATION (i) written notice of such intention, together with the name and address of the intended purchaser, transferee or tenant, and such other information concerning any intended purchaser, transferee or tenant as the ASSOCIATION may reasonably request, (ii) an executed copy of the written agreement pursuant to which the sale, transfer or lease is intended to be consummated, and (iii) a nonrefundable fee in the amount of $100.00, or such greater amount as is established by the BOARD from time to time, which in any event shall not exceed any maximum amount provided by law. In the case of a proposed sale or voluntary transfer of a UNIT, the notice may provide that if the ASSOCIATION disapproves same, the ASSOCIATION will be required to purchase, or designate a purchaser for, the UNIT. In the case of a proposed lease, the notice may provide that if the ASSOCIATION disapproves same, the ASSOCIATION will be required to designate a tenant for the UNIT. If a UNIT OWNER acquires title to a UNIT by devise, bequest, inheritance, or by any manner other than a voluntary conveyance by the prior UNIT OWNER, such UNIT OWNER shall upon his acquisition of title give the ASSOCIATION written notice of such acquisition, together with such information concerning the UNIT OWNER as the ASSOCIATION may reasonably request, and also together with a certified copy of the instrument evidencing the UNIT OWNER's title.~~

~~18.2 **Failure to Give Notice.** If the notice to the ASSOCIATION herein required is~~

not given, then at any time after receiving knowledge of a transaction or event whereby a UNIT is sold, transferred or leased, the ASSOCIATION, at its election and without notice, may approve or disapprove the transaction or ownership, or act as if it had been given the appropriate notice as of the date it receives knowledge of the transaction.

18.3 **ASSOCIATION's Rights Upon Receipt of Notice.** Within 40 days after receipt of the notice, information, documents and fee required above, the ASSOCIATION shall by written notice to the UNIT OWNER either:

18.3.1 **Approve.** Approve the transaction or the acquisition of title, which approval shall be in recordable form and shall be executed by any officer or director of the ASSOCIATION.

18.3.2 **Disapprove.** The ASSOCIATION may disapprove the transaction by written notice to the UNIT OWNER. If the ASSOCIATION disapproves a sale or transfer of a UNIT, the ASSOCIATION will be required to purchase the UNIT pursuant to Paragraphs 18.4 or 18.5 below if, and only if, (i) the UNIT has been transferred by devise, inheritance or other involuntary manner on the part of the new UNIT OWNER, or (ii) the notice to the ASSOCIATION provides that the ASSOCIATION must purchase or designate a purchaser for the UNIT if the ASSOCIATION disapproves the sale or transfer. If the ASSOCIATION disapproves a lease of a UNIT, the ASSOCIATION will be required to designate a tenant for the UNIT pursuant to Paragraph 18.6.2 below if, and only if, the notice to the ASSOCIATION provides that the ASSOCIATION must do so upon the disapproval of the proposed lease. Notwithstanding the foregoing, the ASSOCIATION may disapprove a sale or transfer of a UNIT, or the lease of a UNIT, if the existing UNIT OWNER owes any money to the ASSOCIATION, or if the ASSOCIATION has a reasonable basis to believe that the new UNIT OWNER or tenant intends to occupy or use the UNIT in a manner which would violate any provision of this DECLARATION or the Rules and Regulations, without being required to purchase the UNIT or designate a tenant for the UNIT.

18.3.3 **Failure to Disapprove or Purchase.** If the ASSOCIATION shall fail to timely disapprove of an intended transaction as set forth above, then the intended transaction shall be deemed approved and upon the request of the applicable UNIT OWNER the ASSOCIATION shall deliver to the UNIT OWNER a written approval of the intended transaction in recordable form, which shall be executed by any officer or director of the ASSOCIATION.

18.3.4 **Delinquent Payments.** The ASSOCIATION shall have the right to refuse to give written approval to any sale, transfer or lease until all ASSESSMENTS, and other monies owed by the applicable UNIT OWNER to the ASSOCIATION are paid in full. In the event any monies are owed by a UNIT OWNER, and the ASSOCIATION or its designee purchases or leases such UNIT OWNER's UNIT pursuant to this Paragraph 18, then notwithstanding anything contained in this Paragraph 18 to the contrary, the amount owed by the UNIT OWNER shall be deducted from the amount of monies to be paid by the ASSOCIATION or its designee to the UNIT OWNER pursuant to the applicable purchase agreement or lease, and such deducted amount of monies shall be paid directly to the ASSOCIATION in order to satisfy in full all

unpaid ASSESSMENTS and other indebtedness.

18.4 **Obligation to Purchase in the Case of a Sale.** If the ASSOCIATION is required to purchase, or designate a purchaser for, a UNIT pursuant to Paragraph 18.3.2, and if the intended transaction is a sale of a UNIT for cash consideration which is approximately equal to the value of the UNIT, the UNIT OWNER shall sell and the ASSOCIATION or its designee shall purchase the UNIT upon the same terms and conditions as contained in the agreement for the intended transaction. Within ten (10) days after the ASSOCIATION's notice disapproving the sale, the ASSOCIATION or its designee and the UNIT OWNER shall execute a purchase agreement for the UNIT containing the identical terms and conditions as that contained in the agreement for the intended sale by the UNIT OWNER, except as the parties may otherwise agree to the contrary. If the ASSOCIATION, or its designee, shall fail to timely execute a purchase agreement for the UNIT without the fault of the UNIT OWNER, or if the ASSOCIATION or its designee shall default in the agreement to purchase after same is executed, then notwithstanding the ASSOCIATION's disapproval of the intended transaction, the intended transaction shall be deemed to have been approved and the ASSOCIATION shall furnish a certificate of approval as elsewhere provided to the UNIT OWNER. If the ASSOCIATION elects to have its designee purchase the UNIT, at the closing the ASSOCIATION shall provide its designee with a certificate approving the designee as a purchaser of the UNIT in recordable form. Notwithstanding the foregoing:

18.4.1 If the intended transaction contemplates a personal obligation on the part of the intended purchaser to pay a portion of the purchase price to the seller after the time of closing, then: (i) the ASSOCIATION must guarantee the payment of that obligation, or (ii) its designee must pay that amount at the time of closing in addition to the amount originally intended to be paid at the time of closing.

18.4.2 If the intended transaction contemplates that the intended purchaser will assume an existing mortgage, and the ASSOCIATION or its designee fails to qualify for same (if required by the holder of the mortgage), then the ASSOCIATION or its designee must pay the full amount required to satisfy the existing mortgage at the time of closing in addition to the amount initially intended to be paid at the time of closing.

18.4.3 If the intended transaction contemplates that the intended purchaser will obtain a new mortgage, the purchase by the ASSOCIATION or its designee will not be contingent upon the obtaining of such mortgage, and at the time of closing, the ASSOCIATION or its designee must pay the entire purchase price, less the proceeds of any mortgage obtained by the ASSOCIATION or its designee.

18.5 **Obligation to Purchase in the Case of Transfers by Devise, Inheritance, Gift, or Other Transfers.** If the ASSOCIATION is required to purchase or designate a purchaser for a UNIT pursuant to Paragraph 18.3.2, and if the intended transaction is a transfer of a UNIT by gift or by any means other than a sale for a cash consideration approximately equal to the value of the UNIT, or if the ASSOCIATION has disapproved a transfer to a UNIT OWNER who has acquired title to a UNIT by devise, inheritance, or in any other involuntary manner, then the UNIT OWNER shall sell and the ASSOCIATION or its designee shall purchase the UNIT upon

the following terms: The sale price for the UNIT shall be the fair market value determined by written agreement between the UNIT OWNER and the ASSOCIATION or its designee within thirty (30) days after the ASSOCIATION disapproves the acquisition or intended transfer of the UNIT. If the parties are unable to agree as to the purchase price, the purchase price shall be determined by one (1) M.A.I. appraiser mutually agreed upon by the UNIT OWNER and the ASSOCIATION or its designee, or if the parties are unable to agree as to an appraiser, the purchase price shall be determined as the average of three (3) appraisals by three (3) such appraisers, one of whom shall be selected by the ASSOCIATION or its designee, one by the UNIT OWNER, and one by the two appraisers so selected. The cost of such appraisal shall be borne by the ASSOCIATION or the designated purchaser. Notwithstanding the foregoing, if an intended transfer is to be a deed in lieu of foreclosure of a mortgage other than a first mortgage held by an INSTITUTIONAL LENDER, the sales price for the UNIT shall not exceed the amount owed to the mortgagee as of the date the ASSOCIATION or its designee acquires title to the UNIT. The sale shall close within thirty (30) days following the determination of the purchase price, provided, however, that prior to such closing the ASSOCIATION or its designee may investigate the title to the UNIT and if any title defects are discovered, the closing shall be deferred for a period of up to sixty (60) days in order to enable the ASSOCIATION or its designee to cure any title defects, and the UNIT OWNER shall cooperate with the ASSOCIATION or its designee with respect to the curing of such defects. The purchase price shall be paid in cash or by cashier's check at the closing unless the parties otherwise agree to the contrary, and all costs of the closing including documentary stamps and recording fees shall be paid by the purchaser. At the closing the purchaser may assume any existing mortgages encumbering the UNIT if same are assumable, but the purchaser shall pay any fees imposed by the lender in connection with such assumption, and if the purchaser elects to assume any existing mortgages the amount to be paid at the closing shall be reduced by the indebtedness secured by the mortgage as of the closing date. Real estate taxes and assessments, and ASSESSMENTS of the ASSOCIATION payable by the UNIT OWNER, shall be appropriately prorated as of the date of closing. At the closing, if the purchaser is a designee of the ASSOCIATION, the ASSOCIATION shall deliver to the purchaser a certificate in recordable form approving the designee as a purchaser. Notwithstanding the foregoing, if the ASSOCIATION or its designee shall default in the purchase of the UNIT after being required to purchase the UNIT, the intended transfer or ownership of the UNIT shall be deemed to have been approved, and the ASSOCIATION shall furnish a certificate of approval to the intended transferee or the UNIT OWNER as elsewhere provided.

18.6 **Leases and Occupancy in the Absence of a UNIT OWNER.**

18.6.1 **In General.** All leases of a UNIT must be in writing and specifically be subject to this DECLARATION, the ARTICLES, the BYLAWS, and the Rules and Regulations of the ASSOCIATION. For purposes of this DECLARATION and the approvals herein required, any person(s) occupying a UNIT in the absence of the UNIT OWNER, or in the absence of an approved occupant or tenant, shall be deemed occupying the UNIT pursuant to a lease, regardless of the presence or absence of consideration with respect to the occupancy. Notwithstanding the foregoing, a UNIT OWNER may from time to time permit guests to occupy his UNIT in his absence and without consideration for periods not exceeding thirty (30) days in any twelve (12) month period as to any one guest, and such occupancy shall not be deemed a

lease and shall not require the approval of the ASSOCIATION. Notwithstanding the provisions of Paragraph 18.3.2 above, the ASSOCIATION shall have the right to disapprove any lease of any UNIT without any obligation to designate a substitute tenant if the UNIT was leased during the preceding twelve (12) month period pursuant to a lease which commenced during such period, if the lease is for a term of less than 3 months, or if the occupancy by the proposed tenant(s) would violate any provision of Paragraph 17 of this DECLARATION. Without the prior written consent of the ASSOCIATION, no lease may be modified, amended, extended, or assigned, and any tenant or occupant may not assign his interest in such lease or sublet the UNIT or any part thereof. Notwithstanding anything contained in this DECLARATION to the contrary, no amendment to this DECLARATION, the ARTICLES, the BYLAWS, or the Rules and Regulations may be made by the UNIT OWNERS which would further prohibit or restrict any UNIT OWNER from renting or leasing his UNIT, without the consent of all of the UNIT OWNERS.

18.6.2 **ASSOCIATION's Obligation to Designate a Tenant.** If the ASSOCIATION is required to designate a tenant for a UNIT pursuant to Paragraph 18.3.2, the UNIT OWNER shall lease to the ASSOCIATION's designee, and the ASSOCIATION's designee shall lease from the UNIT OWNER, the UNIT upon the same terms and conditions as contained in the lease submitted to the ASSOCIATION for its approval. Within ten (10) days after the written notice stating that the intended lease is disapproved, the ASSOCIATION's designee and the UNIT OWNER shall execute a lease for the UNIT containing the identical terms and conditions as that contained in the lease agreement for the intended lease by the UNIT OWNER, except as the parties may otherwise agree to the contrary. If the ASSOCIATION's designee fails to timely execute a lease for the UNIT through no fault of the UNIT OWNER, then notwithstanding the ASSOCIATION's disapproval of the intended lease, the intended lease shall be deemed to have been approved and the ASSOCIATION shall furnish a certificate of approval as elsewhere provided to the UNIT OWNER. Notwithstanding the foregoing, the UNIT OWNER shall not be required to lease his UNIT to the ASSOCIATION's designee, but if the UNIT OWNER refuses to lease his UNIT to the ASSOCIATION's designee, the ASSOCIATION's disapproval of the UNIT OWNER's lease shall remain in effect.

18.7 **Disapprovals.** If any sale, transfer or lease of any UNIT is not approved or deemed to have been approved by the ASSOCIATION, the intended transaction shall not be consummated, and any transaction which is consummated and which has not been approved or deemed to have been approved by the ASSOCIATION as elsewhere provided shall be voidable at the election of the ASSOCIATION upon written notice to the UNIT OWNER. If the ASSOCIATION so elects, the UNIT OWNER shall be deemed to have authorized and empowered the ASSOCIATION to institute legal proceedings to evict any unauthorized occupant of the UNIT or to otherwise void the unauthorized transaction, at the expense of the UNIT OWNER, including the ASSOCIATION's attorneys' fees.

18.8 **UNITS Owned or Leased by a Corporation or Other Entity or Unrelated Persons.** If a UNIT OWNER intends to sell, transfer or lease his UNIT to a corporation or other entity, or to two (2) or more persons who are not members of the same immediate family, or if a UNIT OWNER acquiring title to a UNIT by devise, bequest, inheritance, or any involuntary manner is a corporation or other entity, or two (2) or more persons who are not members of the

same immediate family, the ASSOCIATION's approval of same may be conditioned upon the approval of one or more particular occupant(s) for the UNIT, and if the ASSOCIATION's approval is so conditioned, the approved occupant(s) shall be deemed the UNIT OWNER(S) of the UNIT for purposes of this Paragraph 18, and no other person will be entitled to occupy the UNIT in the absence of such approved occupant(s) without the approval of the ASSOCIATION, except as otherwise provided in this Paragraph 18.

18.9 **Exceptions.** Notwithstanding anything contained herein to the contrary, the provisions of this section shall not apply with respect to any sale, transfer, or lease of any UNIT (a) by a UNIT OWNER to his spouse, adult children, parents, parents in law (and/or any co-owner of the UNIT,) or to any one or more of them, or to a trust or entity, the beneficiaries or owners of which are exclusively any one or more of them, (b) by or to the ASSOCIATION, (c) by or to an INSTITUTIONAL LENDER who acquires title to any UNIT by foreclosing its mortgage upon the UNIT encumbered, or by deed in lieu thereof, (d) to a former UNIT OWNER who acquires title to any UNIT' by foreclosing its mortgage upon the UNIT encumbered, or by deed in lieu thereof, or (e) to any purchaser who acquires title to a UNIT at a duly advertised public sale with open bidding which is provided by law, such as, but not limited to, an execution sale, foreclosure sale, judicial sale or tax sale, and shall not apply with respect to any sale or transfer by or to the DEVELOPER.

18.10 **No Severance of Ownership.** No part of the COMMON ELEMENTS of any UNIT may be sold, conveyed or otherwise disposed of, except as part of the sale, conveyance, or other disposition of the UNIT to which such interest is appurtenant, and any sale, conveyance or other disposition of a UNIT shall be deemed to include that UNIT's appurtenant interest in the COMMON ELEMENTS.

18.11 **Purchase of UNITS by the ASSOCIATION.** The ASSOCIATION's purchase of any UNIT, whether or not by virtue of an obligation of the ASSOCIATION to purchase same as hereinabove provided, shall be subject to the following provisions:

18.11.1 **Decision.** The decision of the ASSOCIATION to purchase a UNIT shall be made by the BOARD, without approval of its membership, except as hereinafter provided.

18.11.2 **Limitation.** If at any one time the ASSOCIATION is the owner or agreed purchaser of 5% or more of the UNITS in the CONDOMINIUM, it may not purchase any additional UNIT without the prior written approval of 75% of the members eligible to vote thereon. A member whose UNIT is the subject matter of the proposed purchase shall be ineligible to vote thereon; provided, however, that the foregoing limitation shall not apply to UNITS to be purchased at public sale resulting from a foreclosure of the ASSOCIATION's lien for delinquent ASSESSMENTS and other monies owed to the ASSOCIATION where the bid of the ASSOCIATION does not exceed the amount found due the ASSOCIATION, or to be acquired by the ASSOCIATION in lieu of foreclosure of such lien if the consideration therefor does not exceed the cancellation of such lien.

18.11.3 If the ASSOCIATION purchases any UNIT and if the available

~~funds of the ASSOCIATION are insufficient to effectuate any such purchase, the ASSOCIATION may levy an ASSESSMENT against each UNIT OWNER, in proportion to his share of the COMMON EXPENSES, and/or the ASSOCIATION may, in its discretion, finance the acquisition of the UNIT; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the CONDOMINIUM PROPERTY other than the UNIT to be purchased.~~

18. **Maintenance of Community Interests.** In order to maintain a community of congenial UNIT OWNERS who are financially responsible, and thus protect the value of the UNITS, the use and transfer of UNITS by any OWNER shall be subject to the following provisions as long as the CONDOMINIUM exists upon the land, which provisions each UNIT OWNER covenants to observe:

18.1 **Forms of Ownership:**

18.1.1 **Ownership by Individuals**. A UNIT may be owned by one natural person who has qualified and been approved as elsewhere provided herein.

18.1.2 **Co-ownership**. Co-ownership of UNITS may be permitted. If the co-owners are other than husband and wife or Domestic Partners, the BOARD shall condition its approval upon the designation of one approved natural person as "PRIMARY OCCUPANT." The use of the UNIT by other persons shall be as if the PRIMARY OCCUPANT was the only actual OWNER. Any changes in the PRIMARY OCCUPANT shall be treated as a transfer of ownership by sale or gift subject to the provisions of the CONDOMINIUM DOCUMENTS. No more than one change in PRIMARY OCCUPANT will be approved in any calendar year. No time share estates may be created. "UNIT Sharing" by multiple families and "Fractional Ownership" are prohibited.

18.1.3 **Ownership by Corporations, Partnerships, Limited Liability Companies, Trusts, or Other Artificial Entities**. A UNIT may be owned in trust, or by a corporation, partnership, limited liability company, or other entity which is not a natural person, if approved in the manner provided elsewhere herein. The intent of this provision is to allow flexibility in estate, financial, or tax planning, and not to create circumstances in which the UNIT may be used as a short-term or transient accommodations for several entities, individuals or families as a timeshare, a shared UNIT, fractional ownership, or used as GUEST accommodations for employees, customers, or GUESTS of UNITS owned by business entities, religious, or charitable organizations, and the like. The approval of a partnership, trustee, or corporation, limited liability company, or other entity as a UNIT OWNER shall be conditioned upon designation by the OWNER of one natural person to be the "PRIMARY OCCUPANT." The use of the UNIT by other persons shall be as if the PRIMARY OCCUPANT were the only actual UNIT OWNER. The PRIMARY OCCUPANT shall be the person entitled to vote on behalf of the UNIT, and exercise rights of membership. Any change in this PRIMARY OCCUPANT shall be treated as a transfer of ownership by sale or gift subject to the provisions of the CONDOMINIUM DOCUMENTS. No more than one change in designation of PRIMARY OCCUPANT will be approved in any twelve (12) month period.

18.1.4 **Life Estate**. A UNIT may be subject to a life estate, either by operation of law or by a voluntary conveyance approved as provided below. In that event, the life tenant shall be the only Member from such UNIT, and occupancy of the UNIT shall be as if the life tenant were the only OWNER. Upon termination of the life estate, the holders of the remainder interest shall have no occupancy right unless separately approved by the ASSOCIATION. The life tenant shall be liable for all ASSESSMENTS and charges against the UNIT. Any vote, consent, or approval required by the CONDOMINIUM DOCUMENTS or law may be given by the life tenant alone, and the vote, consent or approval of the holders of the remainder interest shall not be required. If there is more than one life tenant, they shall be treated as co-owners for purposes of determining voting and occupancy rights.

18.2 **Transfers Subject to Approval.**

18.2.1 **Sale or Other Transfer.** No UNIT OWNER may dispose of a UNIT or any interest in same by sale or other title transfer, without prior written approval of the BOARD. No UNIT OWNER may dispose of a UNIT or any interest therein by other means (including agreement for deed, installment sales contract, lease-option, or other similar transactions) without prior written approval by the BOARD.

18.2.2 **Gift.** If any UNIT OWNER is to acquire his title by gift, his ownership of his UNIT shall be subject to the prior approval of the BOARD. Notice must be given at least thirty (30) days prior to the intended closing or title transfer date.

18.2.3 **Devise or Inheritance.** If any person shall acquire his title by devise, inheritance, through other succession laws, the continuance of his ownership of his UNIT shall be subject to the approval of the BOARD.

18.2.4 **Other Transfers.** If any UNIT OWNER shall acquire his title by any manner not considered in the foregoing subsections, the continuance of his ownership of such UNIT shall be subject to the approval of the BOARD. If any person acquires title in any manner not considered in the foregoing subsections, that person shall have no right to occupy or use the UNIT before being approved by the BOARD under the procedures outlined below.

18.3 **Approval by ASSOCIATION.** The approval of the ASSOCIATION that is required for the transfer of ownership of UNITS shall be obtained in the following manner:

18.3.1 **Notice to BOARD.**

18.3.1.1 **Sale or Other Transfer.** A UNIT OWNER intending to make a bona fide sale or other title transfer of his UNIT or any interest in it, including gifts, transfers to artificial entities, and the grant of partial estates, shall give to the BOARD notice of such intention, together with the name and address of the intended grantee, an executed copy of the purchase contract and its exhibits, or other documentation evidencing the transfer and such other information concerning the intended grantee and the transaction as the BOARD may reasonably require. The BOARD may require, without limitation, credit history, a criminal background investigation, past residency or employment verification, personal references, and a personal interview with the purchaser(s) and all proposed UNIT occupants.

18.3.1.2 **Devise or Inheritance.** A UNIT OWNER who has obtained his title by devise or inheritance, or operation of succession laws, shall give to the BOARD notice of the acquiring of his title, together with such information concerning the UNIT OWNER as the BOARD may reasonably require (including that set forth in Article 18.3.1.1 hereof), and a certified copy of the instrument evidencing the OWNER's title.

18.3.1.3 **Failure to Give Notice.** If the above required notice to the BOARD is not given, then at any time after receiving knowledge of a transaction or event transferring ownership or possession of a UNIT, the BOARD at its election and without notice may approve or disapprove the transaction or ownership. If the BOARD disapproves the transaction or ownership, the BOARD shall proceed as if it had received the required notice on the date of such disapproval.

18.3.2 **Certificate of Approval.**

18.3.2.1 **Sale or Other Title Transfer.** If the proposed transaction is a sale or other prospective title transfer, then within thirty (30) days after receipt of such notice and information, including a personal interview if requested by BOARD, the BOARD must either approve or disapprove the proposed transaction.

18.3.2.2 **Devise or Inheritance.** If the UNIT OWNER giving notice has acquired his title by devise, inheritance, or through succession law, then within thirty (30) days after receipt of such notice and information, including a personal interview if requested by the BOARD, the BOARD must either approve or disapprove the continuance of the UNIT OWNER's ownership of his UNIT.

18.3.2.3 **Approval of occupant.** If the grantee is a corporation, partnership, trust, limited liability company, some other entity, or more than one individual who are not husband and wife or domestic partners, the approval of ownership by the corporation, partnership, trust, other entity, or multiple persons shall be conditioned upon approval of a PRIMARY OCCUPANT.

18.4 **Disapproval by BOARD.** If the BOARD shall disapprove a transfer or continuance of ownership of a UNIT, the matter shall be disposed of in the following manner:

18.4.1 **Sale or Other Arms-Length Transaction to Bona Fide Third Party.** If the proposed transaction is a sale or other arms-length transfer to a bona fide third party purchaser, and has been disapproved without good cause, then within thirty (30) days after receipt of such notice and information, the ASSOCIATION shall deliver or mail by certified mail to the UNIT OWNER an agreement to purchase the UNIT concerned by a purchaser approved by the BOARD, or the ASSOCIATION itself, who will purchase and to whom the UNIT OWNER must sell the UNIT upon the following terms:

18.4.1.1 At the option of the ASSOCIATION to be stated in the agreement, the price to be paid shall be that stated in the disapproved contract to sell or shall be the fair market value determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers, one of whom shall be appointed by the UNIT OWNER and the other of whom shall be appointed by the

ASSOCIATION, who shall base their determination upon an average of their appraisals of the UNIT; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be shared by the parties.

18.4.1.2 The purchase price shall be paid in cash. The sale shall be closed within thirty (30) days after the delivery or mailing of the agreement to purchase, or within ten (10) days after the determination of the sale price if such is by arbitration, whichever is the later. If the ASSOCIATION shall fail to itself purchase the UNIT, or provide a purchaser, or if a purchaser furnished by the ASSOCIATION or the ASSOCIATION shall default in his agreement to purchase, then notwithstanding the disapproval, the proposed transaction shall be deemed to have been approved and the ASSOCIATION shall furnish a certificate of approval.

18.4.2 **Gifts; Devise; Inheritance; Familial Transfers.** If the UNIT OWNER giving notice has acquired or will acquire his title by gift, devise, inheritance, or succession laws or in any other manner, and if the BOARD wishes to disapprove the transfer or continuance of ownership without good cause, then within thirty (30) days after receipt from the UNIT OWNER of the notice and information required to be furnished, the BOARD shall deliver or mail by certified mail to the UNIT OWNER an agreement to purchase the UNIT concerned by a purchaser approved by the BOARD (including the ASSOCIATION itself) who will purchase and to whom the UNIT OWNER must sell the UNIT upon the following terms:

18.4.2.1 The sale price shall be the fair market value determined by agreement between the grantor and grantee within thirty (30) days from the delivery or mailing of such agreement. In the absence of agreement as to price, or where transfers are made for less than bona fide value, the price shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers, one of whom shall be appointed by the ASSOCIATION and the other of whom shall be appointed by the UNIT OWNER, who shall base their determination upon an average of their appraisals of the UNIT; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be shared by the parties.

18.4.2.2 The purchase price shall be paid in cash. The sale shall be closed within ten (10) days following the determination of the sale price. If the ASSOCIATION shall fail to purchase the UNIT or provide a purchaser, or if the ASSOCIATION or a purchaser furnished by the ASSOCIATION shall default in his agreement to purchase, then notwithstanding the disapproval, such transfer ownership shall be deemed to have been approved, and the ASSOCIATION shall furnish a certificate of approval as elsewhere provided.

18.4.3 **Disapproval for Good Cause.** Disapproval of title transfers or the continuation of ownership pursuant to this Article 18 shall be made by the BOARD. Only the following may be deemed to constitute good cause for disapproval:

18.4.3.1 The application for approval on its face, or subsequent investigation thereof, indicates that the person seeking approval (which shall hereinafter include

all proposed occupants) intends to conduct himself in a manner inconsistent with the CONDOMINIUM DOCUMENTS;

18.4.3.2 The person seeking approval has been convicted of a crime involving violence to persons, a crime demonstrating dishonesty or moral turpitude, any felony, or a sexual offense of any nature;

18.4.3.3 The person seeking approval has a record of financial irresponsibility, including without limitation prior bankruptcies, foreclosures, or bad debts;

18.4.3.4 The person seeking approval has a history of disruptive behavior or disregard for the rights and property of others as evidenced by his conduct in other social organizations or associations, or by his conduct in this ASSOCIATION or other residences as a tenant, occupant, GUEST or OWNER;

18.4.3.5 The person seeking approval failed to provide the information, fees or appearance required to process the application in a timely manner;

18.4.3.6 The UNIT OWNER requesting the transfer has had fines assessed against him or her which have not been paid; or,

18.4.3.7 All ASSESSMENTS and other charges against the UNIT have not been paid in full.

If the BOARD disapproves a transfer for good cause, the ASSOCIATION shall have no duty to purchase the UNIT or furnish an alternate purchaser, and the transaction shall not be made, or if made, shall be rescinded in the manner determined by the BOARD.

18.5 **Transfer Fee.** The ASSOCIATION may charge a processing fee for the approval of transfers of title. The fee may not exceed the maximum permitted by law per transaction. The ASSOCIATION or its authorized agent may also charge a reasonable fee for the preparation of a certificate, commonly known as an estoppel certificate, stating all assessments and other monies owed to the ASSOCIATION by the UNIT OWNER with respect to the CONDOMINIUM PARCEL. The fee for the preparation of such certificate shall be established by a written resolution of the BOARD or provided for in a management, bookkeeping, or maintenance contract.

18.6 **Judicial Sales.** Article 18 shall not apply to transfers to a foreclosing first mortgagee, or any other person or entity who obtains title through foreclosure of a judgment lien superior to the ASSOCIATION's lien. However, such parties must comply with Article 18 in their transfer to third parties.

18.7 **Unauthorized Transactions.** Any sale, lease, mortgage or other transfer of ownership or possession not authorized pursuant to the terms of this DECLARATION shall be voidable unless subsequently approved by the ASSOCIATION.

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Amendment No. 9: Article 19 (NEW), DECLARATION of Condominium

19. **GUEST Occupancy.** A "GUEST" is defined as a person who enters upon the CONDOMINIUM PROPERTY at the invitation of a UNIT OWNER or tenant, (or their respective families) for the purpose of visiting the UNIT OWNER or tenant (or their respective families), occupying the CONDOMINIUM UNIT for less than thirty (30) days during any calendar year, or utilizing the CONDOMINIUM PROPERTY. Use or visitation without consideration (payment) distinguishes a GUEST usage from a tenancy. There are various types of GUEST uses, which are regulated as follows:

19.1 **Non-Overnight Visitation by GUESTS When UNIT OWNER or Tenant is in Residence.** There is no restriction against this type of GUEST usage, provided that same does not create a nuisance or annoyance to other CONDOMINIUM residents, nor prevent their peaceful enjoyment of the premises. The ASSOCIATION may restrict or prohibit GUEST visitation by convicted felons, including but not limited to registered sex offenders and persons who have been convicted of narcotic offenses. Non-overnight GUESTS need not be registered with the ASSOCIATION. Non-overnight GUESTS shall be entitled to use the CONDOMINIUM facilities only when accompanied by the UNIT OWNER or tenant (or an adult, resident Member of the UNIT OWNER's or tenant's Family), unless otherwise approved by the BOARD. The BOARD may establish additional restrictions on non-overnight GUEST usage of CONDOMINIUM facilities, including but not limited to the maximum numbers of GUESTS who may use common facilities.

19.2 **Overnight GUESTS When UNIT OWNER or Tenant is in Residence.** UNIT OWNERS and tenants (and their respective families) may have related or unrelated overnight GUESTS, so long as the UNIT OWNER or tenant is in simultaneous residence. There is no requirement for registration of overnight GUESTS with the BOARD. The ASSOCIATION may restrict or prohibit GUEST visitation by convicted felons, including but not limited to registered sex offenders and persons who have been convicted of narcotic offenses. Under no circumstances may more than eight (8) persons (including the UNIT OWNERS, tenants, their families, GUESTS or any other occupants) sleep overnight in a UNIT.

19.3 **Non-Overnight GUESTS in the Absence of the UNIT OWNER or tenant.** UNIT OWNERS and tenants are not permitted to have non-overnight GUESTS when the UNIT OWNER or tenant is absent from the CONDOMINIUM. UNIT OWNERS and tenants may have UNITS inspected by caretakers, friends or relatives. However, such individuals shall not be permitted to use CONDOMINIUM facilities, such as recreational facilities (including but not limited to the pool, parking areas, and beach access).

19.4 **Overnight GUESTS in the Absence of the UNIT OWNER or Tenant.** Tenants are not permitted to have overnight GUESTS (related or non-related) in the absence of the tenants' simultaneous residence. UNIT OWNERS are permitted to have overnight GUESTS in the absence of the UNIT OWNER subject to the following conditions, and such other Rules and Regulations as may be deemed necessary by the BOARD to effectuate the residential, non-transient nature of this CONDOMINIUM.

19.4.1 **Non-Related Overnight GUESTS** in the absence of the UNIT OWNER will be limited to two (2) occupancies per calendar year. The limitation on UNIT density in Article 19.2 applies. Ten (10) days prior notice to the ASSOCIATION is required.

19.4.2 **Related Overnight GUESTS** may occupy a UNIT in the absence of the UNIT OWNER. For the purpose of this provision, "related" means all persons who are staying in the UNIT on an overnight basis, in the absence of the UNIT OWNER, are related to the UNIT OWNER or PRIMARY OCCUPANT (by blood, marriage, domestic partnership or adoption) to the following degree: parent, grandparent, child, grandchild, or sibling. The limitation on UNIT density in Article 19.2 applies. Ten (10) days prior notice to the ASSOCIATION is required.

19.5 **Additional BOARD Authority**. The BOARD may promulgate such rules, policies, and procedures as are necessary to implement this Article. In the event that UNIT OWNERS are suspected of circumventing rental restrictions by receiving consideration for occupancies which are held out as GUEST occupancies, the ASSOCIATION may require proposed GUEST occupants to submit proof of familial relationship, an affidavit as to absence of payment for the right to occupy the premises, or other proof that the leasing provisions of Article 17 are not being violated.

(Remainder of Articles Renumbered Accordingly)

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WITNESSES:
(TWO)

Signature

Kai Wu
Printed Name

Signature

SANDRA A. LAMBERT
Printed Name

MEADOWS OF ESTERO-BONITA SPRINGS LIMITED PARTNERSHIP, a Florida limited partnership

BY: FL MSIII GP, L.C. a Florida limited liability company, its General Partner

BY: HEARTHSTONE, INC., a California Corporation, d/b/a in Florida HEARTHSTONE ADVISORS, INC., Manager

By: _____

Print Name: Tracy T. Carver

Title: Executive Vice President - General Counsel

Date: 6/14/2010

STATE OF CALIFORNIA)
) SS:
COUNTY OF MARIN)

(CORPORATE SEAL)

The foregoing instrument was acknowledged before me this 14th day of June, 2010, by TRACY T. CARVER as EVP-General Counsel of Hearthstone, Inc., a California Corporation, d/b/a in Florida as Hearthstone Advisors, Inc., Manager of FL MSIII GP, L.C., a Florida limited liability company, General Partner of Meadows of Estero-Bonita Springs Limited Partnership, a Florida limited partnership, on behalf of the partnership. He/~~She is personally known to me or~~ has produced 2 driver's license (type of identification) as identification.

ANGIE WONG
COMM. # 1849576
NOTARY PUBLIC - CALIFORNIA
MARIN COUNTY
COMM. EXPIRES MAY 17, 2013

Notary Public

ANGIE WONG
Printed Name

My commission expires: 5/17/2013

ACTIVE: 2997785_1